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CENTRAL INTELLIGENCE AGENCY WASHINGTON 25, D. C.

1 November 1950

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: Chinese Communist Intervention in Korea.

Fresh, newly-equipped North Korean troops have appeared in the Korean fighting, and it has been clearly established that Chinese Communist troops are also opposing UN forces. Present field estimates are that between 15,000 and 20,000 Chinese Communist troops organized in task force units are operating in North Korea while the parent units remain in Manchuria. Current reports of Soviet-type jet aircraft in the Antung-Simulju area indicate that the USER may be providing at least logistic air defense for the Manchurian border. In addition, a radio broadcast of 31 October from the energency North Korean capital of Simulju announced that a "Volunteer Corps for the Protection of the Suiho Hydroelectric Zone" has been formed to protect that area from the advancing UN forces. The broadcast emphasized the importance of the Suiho hydroelectric system to the industries of Manchuria and pointed out that Chinese People's Liberation Forces are concentrated along the Manchurian side of the Suiho zone.

This pattern of events and reports indicates that Communist China has decided, regardless of the increased risk of general war, to prowide increased support and assistance to North Korean forces. Although the possibility can not be excluded that the Chinese Communists, under Soviet direction, are committing themselves to full-scale intervention in Korea, their main motivation at present appears to be to establish a limited "cordon sanitaire" south of the Yalu River. Primary objectives of the Chinese Communists in attempting to establish such a noman's land would probably be: (a) to guarantee security of the Manchurian border from UN forces which the Chinese have labelled as invaders; and (b) to insure continued flow of electric power from the vital Suiho hydroelectric system to the industries of Manchuria. The preceding considerations, which are of direct concern to Communist China, would also be in line with the general desire to further international Communism by helping the North Koreans prolong their resistance.

The Chinese Communists probably genuinely fear an invasion of Manchuria despite the clear-cut definition of UN objectives. The reported evacuation of industrial machinery and civilian personnel from Mukden could be the consequence of such a fear although the possibility exists that this evacuation has been undertaken in an

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effort to anticipate possible retalitory action by UN ferces following Chinese Communist intervention in Korea. The Suiho hydroelectric system, with generators located on the Korean side of the Yalu River, provides a large part of South Hanchuria's electricity and most of the power for the Port Arthur naval base area. To date, the UN has made no statement regarding the distribution of Suiho power after UN forces take possession, and Chinese Communist apprehension may have been increased by the recent statement of a South Korean general that all power to Manchuria would be cut off.

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WALTER B. SMITH Director

Secretary of State Secretary of Defense Chairman, NSRB

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